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Jay C. Keithley
Vice President

Law & External Affairs
1850 M Street, NW, Suite 1100
Washington, DC 20036
Voice 202 828 7453
Fax 202 296 3469
jayc.keithley@mail.sprint.com

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE

January 6, 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 12th Street, SW, TW-A325
Washington, D.C. 20554


RE: CC Docket Nos. 96-262, 94-1 and RM 9210 ✓

Dear Ms. Salas:

Yesterday, representatives of Sprint Corporation met with Kyle Dixon of Commissioner Powell's staff to discuss Sprint's position in the above referenced proceedings. Representing Sprint Corporation were Jay Keithley and Richard Juhnke

Sprint requests that this information be made a part of the record in this matter. Five copies of this letter, in accordance with Section 1.1206(a)(1), are provided for this purpose. If you have any questions, please feel free to call.

Sincerely,



Jay C. Keithley

Attachment

cc: Kyle Dixon

Sprint's Access Reform Proposal

Objective: Reduce interstate access charges to Forward Looking Economic Costs (FLEC)

Method:

- ◆ Maintain 6.5% productivity factor.
- ◆ Apply full annual reduction only to rate elements above FLEC.
- ◆ Cap CCLC revenues at growth in access lines.
- ◆ Focus current price cap performance review proceeding on identifying FLEC levels and determining appropriate transition.



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Benefits of Sprint's Access Reform Proposal

◆ IXC's

- ❖ Access rates will come down faster than under the existing 6.5% productivity plan.
- ❖ TS access rates will be reduced to FLEC faster than under proposals to increase the productivity factor.

◆ LEC's

- ❖ Provides reasonable transition to FLEC.
- ❖ Ensures that access rates are not driven below FLEC.

◆ Consumers

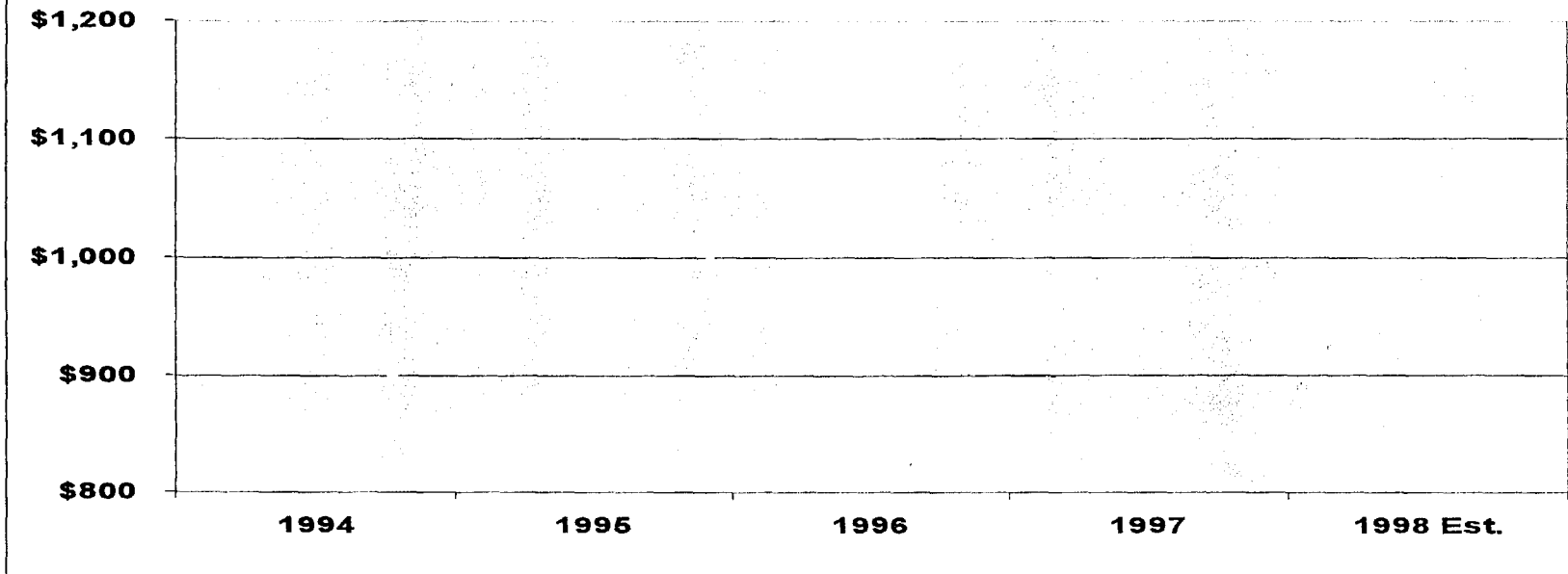
- ❖ Accelerated decreases in TS access rates will allow greater interstate toll rate reductions.



Sprint

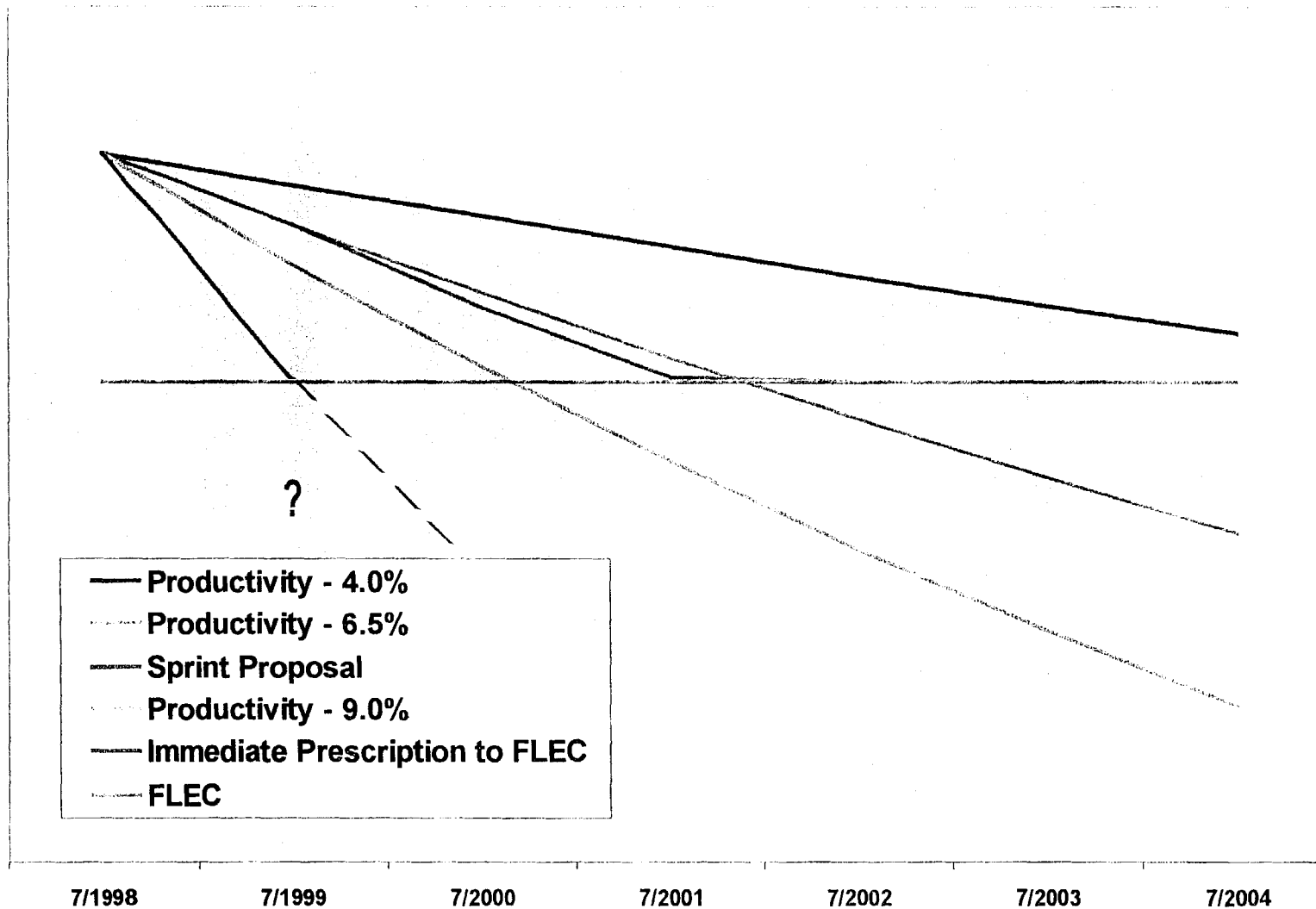
Interstate Access REVENUES

(\$ in Millions)



	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998 Est.</u>
Revenues	879.6	953.3 8.39%	1,062.9 11.50%	1,091.0 2.65%	1,095.4 0.40%
MOUs	16,303	17,644 8.22%	19,631 11.26%	20,914 6.54%	22,641 8.25%
Access Lines	71,332	75,338 5.62%	78,930 4.77%	84,006 6.43%	88,837 5.75%

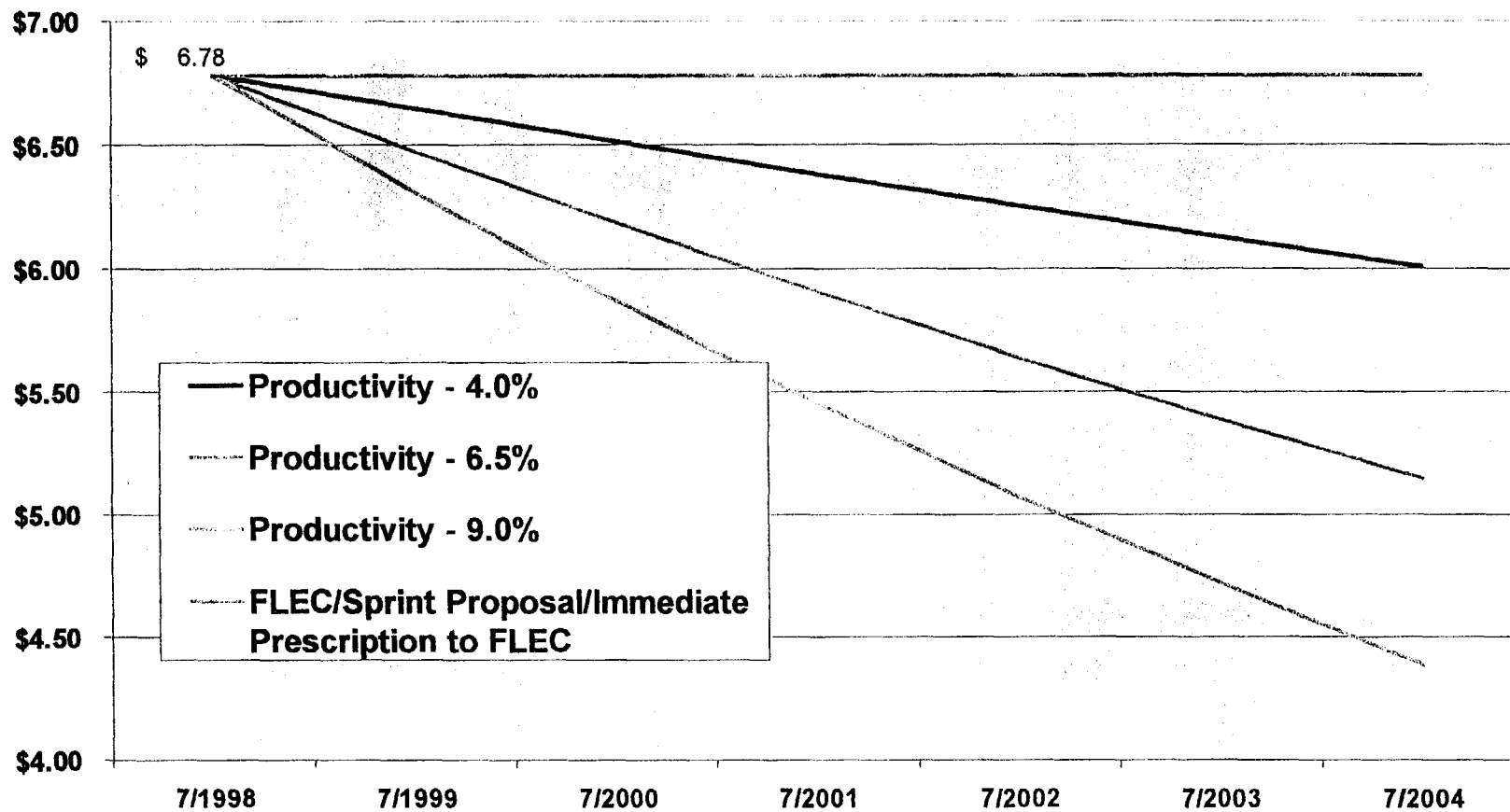
Price Cap LECs Interstate Access Rates



Price Caps LECs

Average Revenue per Line

For Non-Traffic Sensitive (NTS) Elements*

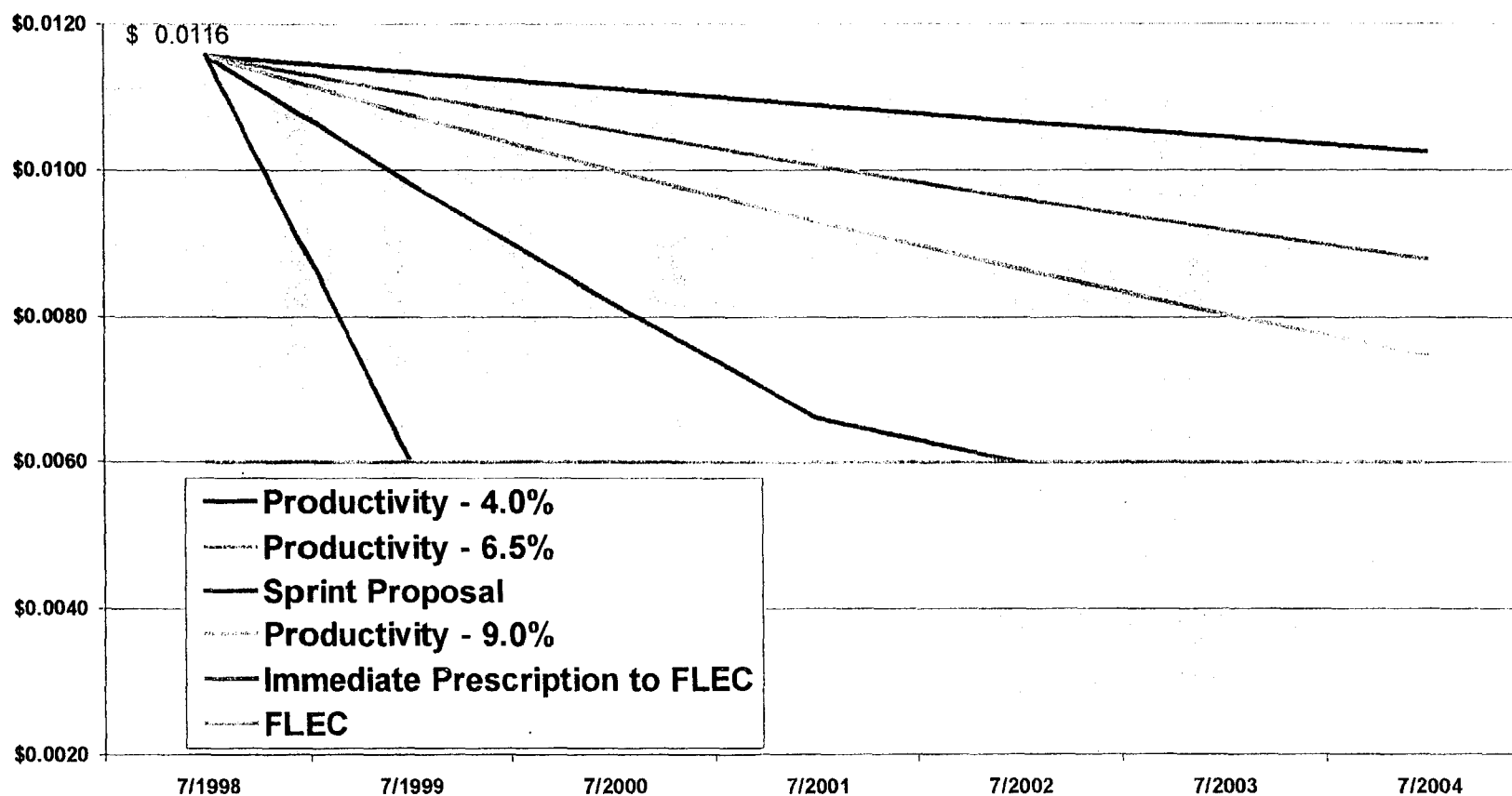


* Loop, NTS Switching, and Marketing Expense

Price Cap LECs

Revenue per Minute

For Traffic Sensitive Elements*

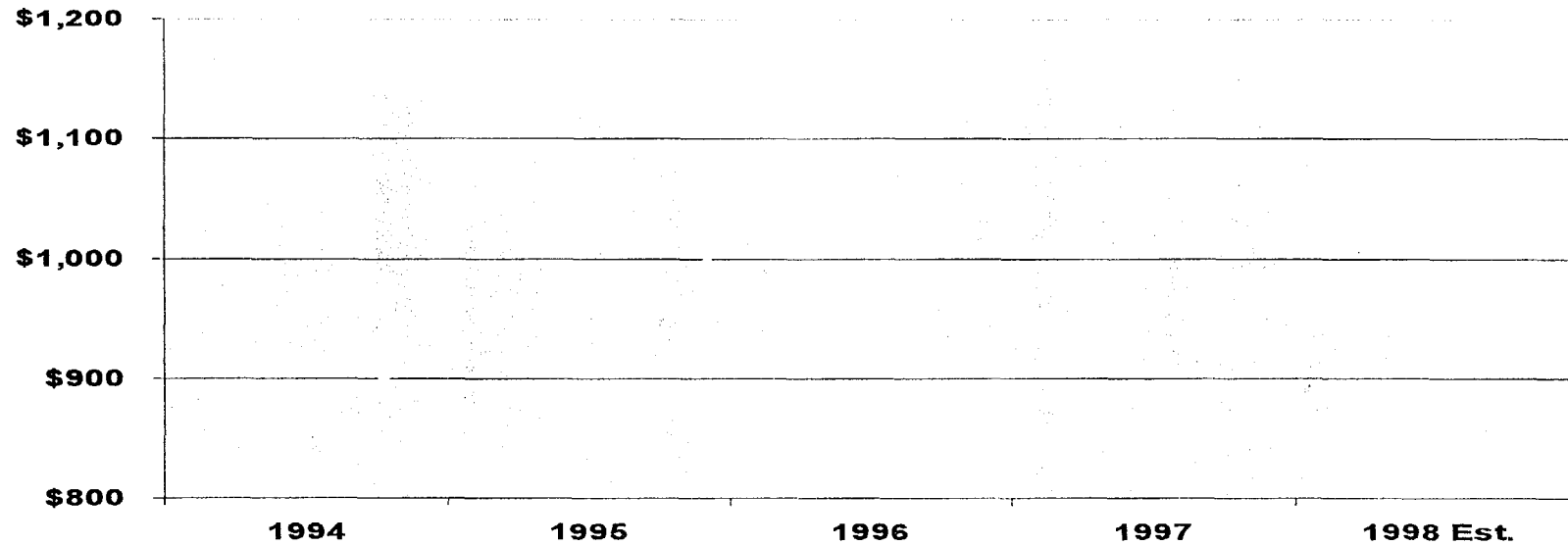


* Local Switching and Switched Transport

Sprint

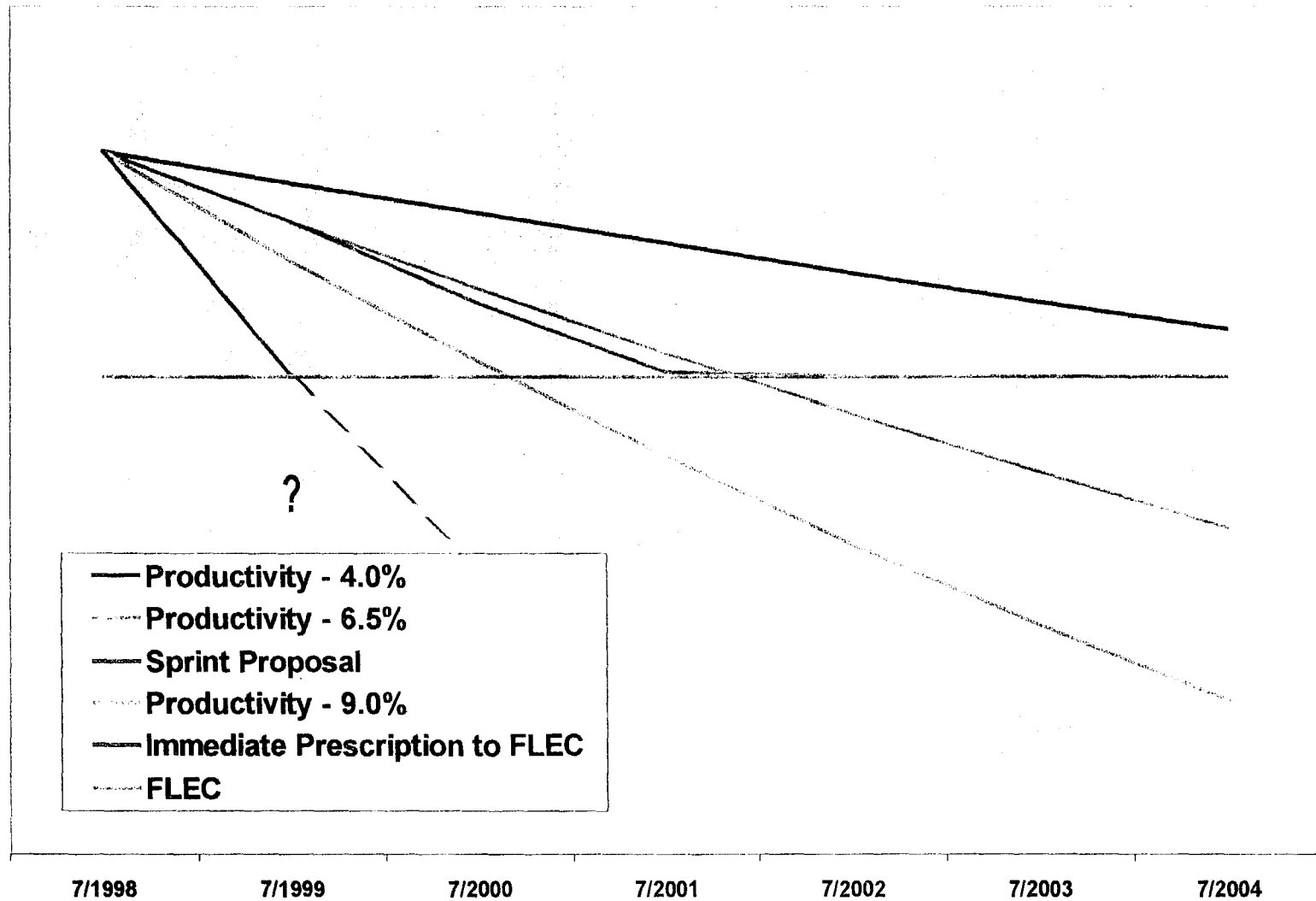
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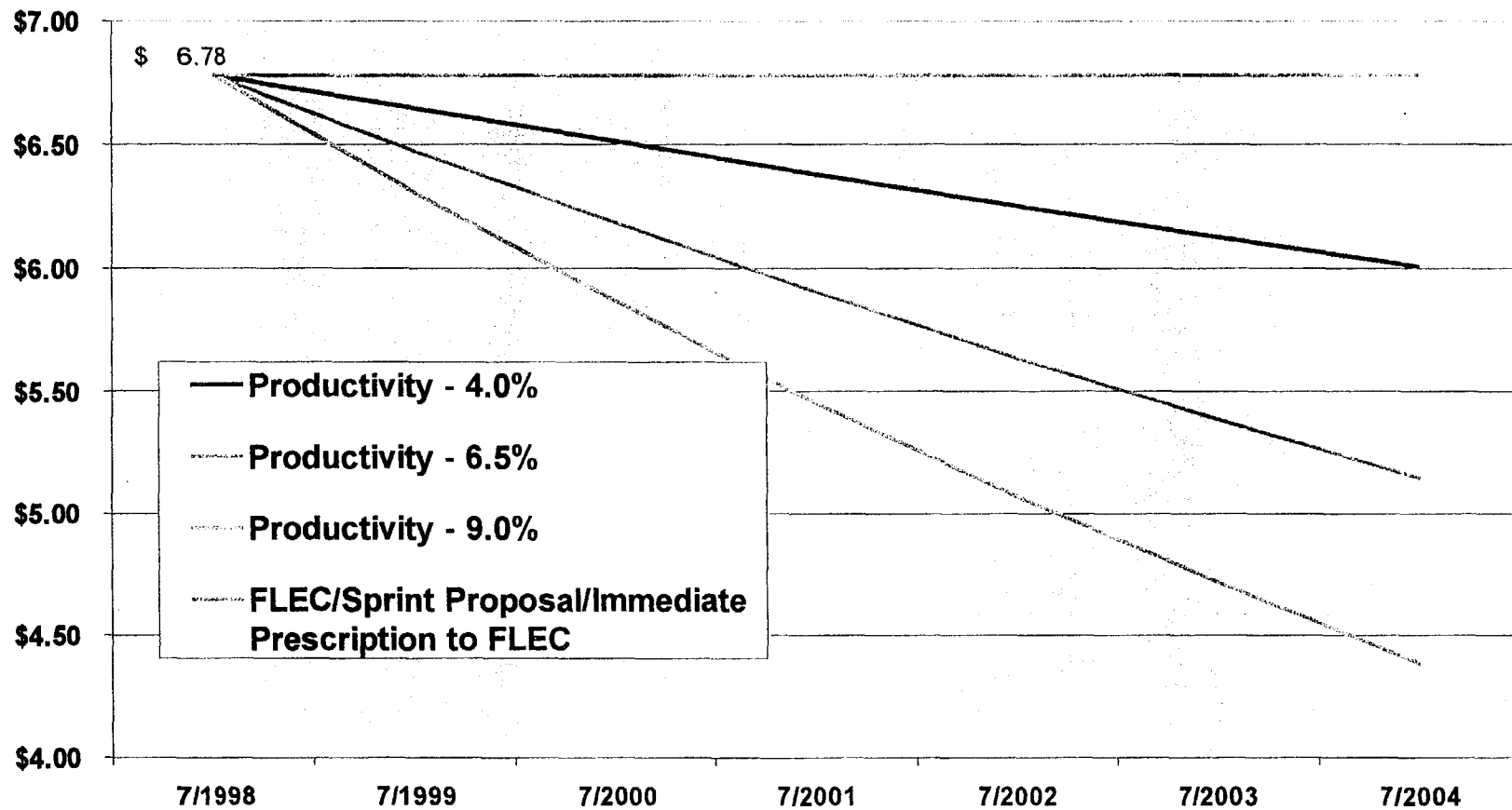
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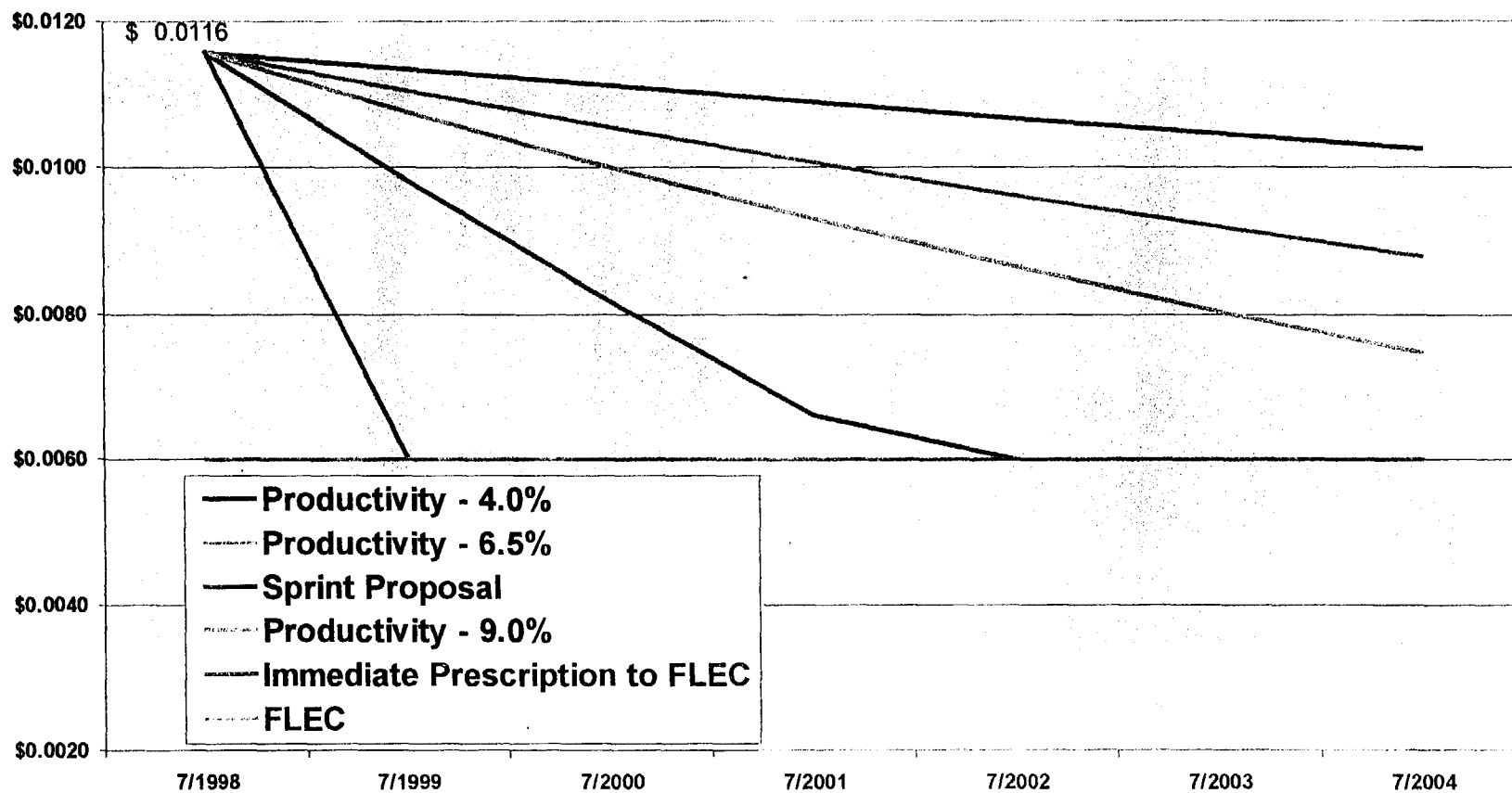


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